MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2015/2016

DAC5028 – COMPUTERIZED ACCOUNTING INFORMATION SYSTEM

(For Diploma Students Only)

31 MAY 2016
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **9** pages with 2 sections.
2. For Section A, shade your answers on the OMR sheet provided.
3. For Section B, write your answers in the answer booklet provided.

SECTION A : MULTIPLE CHOICE QUESTIONS 1-30 (each question carries 1 mark) (30 marks). Answers for this section should be shaded in the OMR sheet.

1. Which of the following information flow in Ornapaper Berhad is ***inaccurate***?

   A. The need to purchase more paper rolls for production flows from the production cycle to the expenditure cycle.
   B. The monthly sales figures flows from the revenue cycle to general ledger and reporting function.
   C. The need to produce more paper notebooks flows from the revenue cycle to the production cycle.
   D. The sales information of the Ornapaper sales executive flows to the revenue cycle from the human resource cycle.

2. Accounting information system (AIS) is able to add value to Dutch Lady Milk Industries Berhad by _____.

   I. Improving the quality of the milk powder
   II. Bringing in international experts to share their knowledge on the production of bottled and packet milk
   III. Employing external consultant to improve the internal control structure
   IV. Source for higher quality raw materials with lower costs in order to reduce the cost of the yogurt sold

   A. I, III & IV only.
   B. II, III & IV only.
   C. I & II only.
   D. All of the above.

3. Tiger Balm (M) Sdn. Bhd. engages in the production of pain relieving ointment which incorporates a unique blend of chinese herbs. The company produces 100,000 boxes of tiger balm ointment daily and costs are assigned to each process and the average costs is obtained. Which of the following costing method suits best for Tiger Balm (M) Sdn. Bhd.?

   A. Production costing.
   B. Process costing.
   C. Job accounts costing.
   D. Job order costing.

4. Which of the following is ***not true*** regarding the payment of goods and services?

   A. The legal obligation for the firm to make payment to their supplier is when the goods and services are received from the suppliers.
   B. The approval of the vendor invoices are done by the accounts receivable department when they receive the invoices.
   C. The payment process often require information from the purchasing department and the receiving department in the warehouse.
   D. Payment of the invoice is done by the cashier, who reports to the treasurer.

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5. When the manager in Telekom Berhad is deciding whether to offer a special streamyx upgrade for a special price to an existing customer who has paid his bills on time, he is actually making a _____.

   A. structured decision with a management control scope
   B. structured decision with an operational control scope
   C. semi-structured decision with a management control scope
   D. semi-structured decision with an operational control scope

6. Panasonic's research and development team has decided to design a new portable pressure cooker that can lessen the cooking time from 2 hours to only 1 hour. Which of the following is ***not*** an objective that the Panasonic team should focus on when designing this new product?

   A. Ensuring that the production plan runs smoothly.
   B. Ensuring that the product is able to last for a minimum of five years.
   C. Ensuring that the product is built with good quality raw materials but at a reduced price.
   D. Ensuring that the product has good features and functions.

7. LED Vision Sdn. Bhd. engages in producing LED lights, street lights and display boards. Which of the following is ***not*** an important task performed in the human resource and payroll cycle in LED Vision Sdn. Bhd.?

   A. Calculating the labor costs incurred in producing a unit of light.
   B. Sending the company's design engineers for conferences and training.
   C. Assigning the sales executive to meet clients in Jusco Kepong.
   D. Recruiting trainees to work in the production of the lights.

- Documents missing due to theft of documents for false transaction.
- Misplace documents due to carelessness and the lack of internal control.

8. Which of the following steps can be taken to mitigate the threats in the box above?

   A. Verify all the documents once received.
   B. Use source data automation.
   C. Use pre-numbered documents.
   D. None of the above.

9. Sunflower Trading Company uses a P.O. box to collect their payment from their customers where the bank sends Sunflower a list of remittances fortnightly through mail and Sunflower records it into their accounts accordingly. Sunflower found that this method prevents theft and has been able to improve the cash flow management of the firm. What kind of cash collection approach is this known as?

   A. Turnaround arrangement.
   B. Electronic lockbox.
   C. Lockbox arrangement.
   D. Electronic fund transfer (EFT).

Continued.....

10. Which of the followings regarding information in Malaysian Airlines are ***true***?

I. Sales and marketing manager often uses previous years' sales information to set current year's sales target.
II. MAS top management often ensures that the value of information exceeds the costs of producing the information.
III. Security and air traffic personnel uses the daily flight schedule to ensure passengers are directed to the correct flight at the correct time.
IV. Operation managers ensures that all information provided to the ticket agents and the ground crew are reliable as it can help to reduce uncertainty.

A. II, III & IV only.
B. I, II & IV only.
C. I & III only.
D. All of the above.

11. Why is the payroll application processed in batch mode?

A. Because employees are divided into different batches based on the hiring date.
B. Because the salaries are issued monthly.
C. Because employees are clustered into different categories based on their position.
D. Because the salaries are issued using a payroll cheque.

12. A _____ is the first document that is issued in the expenditure process and it is used to prompt the purchasing process.

A. purchase document
B. purchase requisition
C. purchase order
D. purchase list

13. The objective of the planning and scheduling activity is to develop a production plan that is efficient and the key documents that could be used to achieve this objective are _____

I. master production schedule
II. bill of materials
III. production requisition slip
IV. move ticket

A. I & IV only.
B. I & II only.
C. III & IV only.
D. II & III only.

14. Which of the following is ***not*** a data collected in Multimedia University?

A. Number of textbooks purchased by each student.
B. Lecturers' education background and external qualifications.
C. Number of lecture hours per week.
D. Tuition fees paid by each student.

Continued.....

15. The basic exchanges in a business process in Giant Hypermarket includes all of the following ***except*** _____.

A. Giant determines the layout of the shopping mall
B. Mr. How purchase a box of blue pen from the stationery department
C. Adam pays the cashiers using credit card
D. Giant receives rental from the cosmetic booths

16. Which of the following is ***not*** true regarding quality control?

A. Internal failure costs concerns rework and scrap costs.
B. Preservation costs helps to reduce the defect rates in the product.
C. The objective of quality control is to minimize the total quality costs.
D. Appraisal costs ensures conformance to the quality requirement.

17. Which of the followings can help to improve the efficiency and effectiveness of the sales order entry process?

I. Online ordering, where orders are sent directly to the warehouse for picking and shipping purposes.
II. Bar-coding, where customers are able to trace the price and the shipment of the goods instantly.
III. Choiceboards, where customers are able to customized the product according to their own preferences.
IV. Email and instant messaging, where sales representatives are instantly notified of any price changes and promotion.

A. I, II & IV only.
B. I, III & IV only.
C. I, II & III only.
D. All of the above.

18. Which of the following is ***not*** an information output in Astro Berhad?

A. Quarterly sales report are used by Astro sales manager to set the next quarter sales target for their sales executives.
B. Astro receives comments from the external auditors to amend the accounts.
C. Astro customers' queries are replied through SMSs and emails.
D. Astro's programme rating and review report are used by the top management to decide on the popularity of the channels.

19. Kickbacks are gifts from the supplier to purchasing agents for the purpose of influencing their choices of supplier. This is a major threats to firms as kickbacks can result in various preceding threats, which includes the followings ***except*** _____.

A. paying the inflated prices
B. purchasing inferior quality goods
C. purchasing unnecessary goods
D. purchasing from unauthorized suppliers

Continued.....

20. Which of the following is ***not*** an activity in the payroll cycle?

A. Preparing and disbursing payroll.
B. Disburse payroll taxes to the government.
C. Validating time and attendance data from each department.
D. Calculating employee-paid benefits and taxes.

21. Ana & Lee Consultancy engages in secretarial and accounting services. In order to maintain the security of the office and for attendance recording purposes, each employee is given an electronic badge to swipe at the badge reader when they come and go. Which of the following IT gadget is referred to in the above scenario?

A. Time card.
B. Touch-tone telephone logs.
C. Online terminal data.
D. Electronic time clock.

22. Kokrane Sdn. Bhd. is a stationery supplier in Tanjung Malim. In all the following instances, Kokrane Sdn. Bhd. are to issue a credit memo ***except*** _____.

A. Joy Turkey Sdn. Bhd. purchased 120 boxes of red pen from Kokrane Sdn. Bhd. and returned 5 boxes when they realized that the pens were damaged in the delivery process
B. Pen-pal Away Cooperation purchased 20 boxes of specially designed envelopes from Kokrane Sdn. Bhd. and requested for the provision of allowances for damaged goods from Kokrane Sdn. Bhd. as the goods will be shipped to an overseas office
C. Semali Enterprise has bought 100 boxes of paper clips from Kokrane Sdn. Bhd. 5 years ago but has not settled their debts due to financial issues that led to the closure of Semali Enterprise. So Kokrane decided to write Semali Enterprise off as uncollectible
D. Kamani Ink Sdn. Bhd. supplied Kokrane Sdn. Bhd. with 55 boxes of green paint but Kokrane returned 3 boxes of paint to Kamani Ink when they found that the color of the paint is wrong

23. Which of the following is ***not*** a control that could be used to mitigate the threat of over or under production?

A. Ensure the production team is constantly supplied with more accurate production planning, including accurate sales forecasts and inventory data.
B. Ensure there are proper authorization of all production orders.
C. Restrict of access to production scheduling program.
D. Ensuring that all internal movements of inventory are properly documented.

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24. Patisfrance Bakery is facing an issue of having too much obsolete flour and sugar in its warehouse. An internal audit check found that multiple purchases of the flour and sugar has been done by various personnel in the bakery. Which of the following threat is Patisfrance Bakery currently facing?

A. Ordering unnecessary items.
B. Ordering excess inventory.
C. Ordering goods at an inflated price.
D. Ordering goods of inferior quality.

25. Which of the following is ***true*** regarding the primary and support activities that can be found in a firm?

I. One of the way Nike is able to add value to the value chain is by producing the limited edition Robert Kraft Nikes.
II. Samsung Galaxy S6 is a result of the designing phase under the support activities in the value chain in Samsung (M) Sdn. Bhd.
III. When Dominos Pizza provide buy-one-free-one vouchers to their customers, they are actually engaging in marketing activities.
IV. Dell computer engages in various after sales services in order to add value to their customers and this is known as the fifth step in the primary activity.

A. I, III & IV only.
B. II, III & IV only.
C. I & II only.
D. All of the above.

26. Which of the following is ***true*** regarding the data processing cycle?

A. The sum of all subsidiary ledgers is known as the holding account and one example of the subsidiary ledger is JJ Resources Sdn. Bhd. while the holding account will be known as the trade debtors control account.
B. The third step in the data processing cycle is to process the data and that includes storing new data, updating existing data, changing new data and deleting existing data.
C. An important function of the accounting information system (AIS) in Mamee Berhad is to efficiently and effectively process the sales data to produce information for the production decision making.
D. When Ernst & Young audited SH Holding Berhad, they found that the utilities expenses amounting to RM1,645.95 for January 2016 was wrongly debited into the travelling account. Thus, SH Holding Berhad would need to use the special journal in order to make this one-off adjustment.

27. Mapo Industries Sdn. Bhd. engages in the production of plastic drums that are used by various industries to store high density liquid. Mapo Industries currently operates in Selangor. Which of the following is ***not*** a manufacturing overhead in Mapo Industries Sdn. Bhd.?

A. Mapo's factory van depreciation.
B. Mapo operation manager's salary.
C. Mapo's plastic resin delivery fees.
D. Mapo's factory internet bill.

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28. Ms. Kavani is the general manager of ZZ Fish Sdn. Bhd. that engages in the production of fish paste products and frozen products. As the company is small, Ms. Kavani engages Heng Professional Services to maintain its payroll master file and perform the monthly payroll processing activities. In the above scenario, Heng Professional Services is a _____.

A. professional employer organization
B. professional employee services
C. payroll service bureaus
D. payroll processing organization

29. Which of the following is ***not true*** regarding the revenue cycle?

A. The basic document created in the billing activity in the revenue cycle is the sales invoice and the invoice notifies the supplier of the amount to be paid and where the company will send the amount to.
B. The revenue cycle is a recurring set of business activities and related information processing operations associated with providing goods and services to customer and receiving payment for those services.
C. When there are enough units to fill an order, the sales executive will complete the sales order, update the quantity available field in the inventory file and notify the shipping, inventory and billing department of the sales.
D. The primary objective of the sales order entry is to accurately and efficiently process the customers' orders and to ensure that all sales are legitimate and that the company gets paid for all sales.

30. Which of the following is a primary objective of the process of approving and paying for the vendor invoice?

I. Paying only for goods and services that were ordered.
II. To safeguard cash from internal and external theft.
III. Paying only for goods that are received and are verified to be correct.
IV. Paying according to the supplier invoice and the purchase order.

A. I, II & III only.
B. II, III & IV only.
C. I & IV only.
D. All of the above.

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SECTION B : STRUCTURED QUESTIONS (70 marks).
Please answer all questions in the answer booklet provided.

QUESTION 1

a) Distinguish the TWO (2) common approaches to production planning. (10 marks)

b) Provide TWO (2) controls that could be used to mitigate the threat of poor product design. (2 marks)

c) Disruption of operations can happen when natural disasters strikes the company. Explain why this could be a problem and provide TWO (2) controls to mitigate this threat. (3 marks)

d) Direct labor costs is an important portion of the cost accounting especially when the firm is computing the cost for a new product. List THREE (3) ways on how direct labor costs can be collected. (3 marks)

QUESTION 2

The second basic activity in the revenue cycle is to fill the customers' orders and ship the desired merchandise to the customers.

Required:

a) Identify FOUR (4) technology that can be used to speed up the movement of the inventory in this process and to improve the accuracy of the perpetual inventory records. (4 marks)

b) What document is printed by the sales order entry systems and that triggers the pick-and-pack activity? What does the document identifies? (3 marks)

c) What are the TWO (2) primary objectives of the shipping process? (2 marks)

d) List down TWO (2) threats that are found in this process and provide TWO (2) controls that can be used to mitigate each of these threats. (6 mark)

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QUESTION 3

a) The key decision in the ordering goods and services activity involves identifying what, when, and how much to purchase and from whom.

Required:

i) Distinguish the THREE (3) types of inventory control method. (6 marks)

ii) Provide the THREE (3) key considerations when it comes to selecting a supplier. (3 marks)

b) In the receiving and storing goods activity in Julie's Biscuit, it is crucial for the receiving department to identify the quantity and the quality of the raw materials received. This is due to if the raw material received are of inferior quality and of a different quantity, the firm is to receive a debit memo from the supplier.

Required:

i) Do you agree with the above statement and why? (2 marks)

ii) Identify and explain FOUR (4) ways of how IT can help to improve the efficiency and the effectiveness of the receiving activity. (8 marks)

iii) List THREE (3) threats that arises from this activity. (3 marks)

QUESTION 4

a) The payroll system of a firm ensures that each employee is paid accordingly. Identify FIVE (5) major sources of input to the payroll system and provide an example of information that is provided by each of these sources. (10 marks)

b) List FIVE (5) threats that are found in the human resource and payroll system. (5 marks)

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